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UNITED STATES
CURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549SEC Mail
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Section

FEB 28 2008

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

| | |
|---|-------------------|
| OMB APPROVAL | |
| OMB Number: | 3235-0123 |
| Expires: | February 28, 2010 |
| Estimated average burden hours per response..... | 12.00 |

| |
|-----------------|
| SEC FILE NUMBER |
| 8- 50959 |

FACING PAGE

Washing Information Required of Brokers and Dealers Pursuant to Section 17 of the
106 Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Wasserman & Associates, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

618 Chestnut Rd., - Suite 104

(No. and Street)

Myrtle Beach

SC

29572-5504

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Thomas K. Wasserman

561-738-0113

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sotillo, Donna M.

(Name - if individual, state last, first, middle name)

6605 S. Dixie HWY - Suite 200- West Palm Beach, FL 33405

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 21 2008

THOMSON
FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

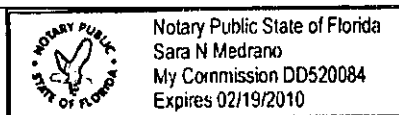
SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

TH
3/18

OATH OR AFFIRMATION

I, Thomas K. Wasserman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wasserman & Associates, Inc., as of December 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Thomas K. Wasserman
Signature

CFO

Title

Sara N Medrano
Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) A Statement stating that the audit did not contain any material differences between the audited and unaudited computation of a net capital.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

| | |
|---|-------------------|
| OMB APPROVAL | |
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| Expires: | February 28, 2010 |
| Estimated average burden hours per response..... | 12.00 |

Form
X-17A-5

FOCUS REPORT
(Financial and Operational Combined Uniform Single Report)
PART IIA 12

(Please read instructions before preparing Form.)

| | | |
|--|--|--|
| This report is being filed pursuant to (Check Applicable Block(s)): | | |
| 1) Rule 17a-5(a) <input checked="" type="checkbox"/> 16 | 2) Rule 17a-5(b) <input type="checkbox"/> 17 | 3) Rule 17a-11 <input type="checkbox"/> 18 |
| 4) Special request by designated examining authority <input type="checkbox"/> 19 | | 5) Other <input type="checkbox"/> 26 |
| NAME OF BROKER-DEALER | | SEC FILE NO. |
| Wasserman & Associates, Inc. 13 | | 8-50959 14 |
| ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.) | | FIRM I.D. NO. |
| 618 Chestnut Rd., Suite 104 20 | | 45085 15 |
| (No. and Street) | | FOR PERIOD BEGINNING (MM/DD/YY) |
| Myrtle Beach 21 | South Carolina 22 | 01/01/07 24 |
| 29572-5504 23 | | AND ENDING (MM/DD/YY) |
| (City) | (State) | 12/31/07 25 |
| (Zip Code) | | |
| NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT | | (Area Code) — Telephone No. |
| Thomas K. Wasserman 30 | | 561-738-0113 31 |
| NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT: | | OFFICIAL USE |
| 32 | | 33 |
| 34 | | 35 |
| 36 | | 37 |
| 38 | | 39 |

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES ☐ 40 NO ☒ 41
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☒ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____ 20____

Manual signatures of:

- 1) _____
Principal Executive Officer or Managing Partner
- 2) _____
Principal Financial Officer or Partner
- 3) _____
Principal Operations Officer or Partner

ATTENTION — Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

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SEC 1696 (02-03) 1 of 16

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

NAME (If individual, state last, first, middle name)

Sotillo, Donna M.

70

ADDRESS

6605 S. Dixie Highway Ste. 200 West Palm Beach Florida 33405

71

72

73

74

Number and Street

City

State

Zip Code

CHECK ONE

☒ Certified Public Accountant

75

☐ Public Accountant

76

☐ Accountant not resident in United States
or any of its possessions

77

FOR SEC USE

DO NOT WRITE UNDER THIS LINE . . . FOR SEC USE ONLY

| | | | | | | | |
|---------------|-------------------------|---------------|------|--|--|--|--|
| WORK LOCATION | REPORT DATE MM/DD/YY | DOC. SEQ. NO. | CARD | | | | |
| 50 | 51 | 52 | 53 | | | | |

SOTILLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

6605 SOUTH DIXIE HIGHWAY, SUITE 200
WEST PALM BEACH, FLORIDA 33405
PHONE (561) 547-5730
FAX (561) 547-4720

Independent Auditor's Report

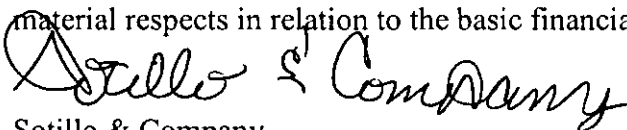
Wasserman & Associates, Inc.
618 Chestnut Rd., Suite 104
Myrtle Beach, SC 29572-5504

We have audited the accompanying statement of financial condition of Wasserman & Associates, Inc. as of December 31, 2007, and the related statements of income, changes in stockholder's equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wasserman & Associates, Inc. as of December 31, 2007 and the results of operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Sotillo & Company
West Palm Beach, FL
February 26, 2008

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER Wasserman & Associates, Inc.

N3

100

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/07 99
SEC FILE NO. 8-50959 98
Consolidated 198
Unconsolidated X 199

| | Allowable | Non-Allowable | Total |
|---|----------------|---------------|----------------|
| 1. Cash | \$ 85,112 200 | | \$ 85,112 750 |
| 2. Receivables from brokers or dealers: | | | |
| A. Clearance account | 113,252 295 | | 113,252 810 |
| B. Other | 300 | \$ 550 | 810 |
| 3. Receivable from non-customers | 355 | 500 | 830 |
| 4. Securities and spot commodities owned at market value: | | | |
| A. Exempted securities | 418 | | |
| B. Debt securities | 419 | | |
| C. Options | 420 | | |
| D. Other securities | 424 | | |
| E. Spot commodities | 430 | | 850 |
| 5. Securities and/or other investments not readily marketable: | | | |
| A. At cost % \$ | 130 | | |
| B. At estimated fair value | 440 | 610 | 860 |
| 6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value: | 460 | 630 | 880 |
| A. Exempted securities \$ | 150 | | |
| B. Other securities \$ | 160 | | |
| 7. Secured demand notes: | 470 | 640 | 890 |
| Market value of collateral: | | | |
| A. Exempted securities \$ | 170 | | |
| B. Other securities \$ | 180 | | |
| 8. Memberships in exchanges: | | | |
| A. Owned, at market \$ | 190 | | |
| B. Owned, at cost | | 650 | |
| C. Contributed for use of the company, at market value | | 660 | 900 |
| 9. Investment in and receivables from affiliates, subsidiaries and associated partnerships | 480 | 670 | 910 |
| 10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization | 490 | 680 | 920 |
| 11. Other assets | 535 | 3,280 735 | 3,280 930 |
| 12. TOTAL ASSETS | \$ 198,364 540 | \$ 3,280 740 | \$ 201,644 940 |

OMIT PENNIES

See Accompanying Notes to the Financial Statements

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER Wasserman & Associates, Inc.

as of 12/31/07

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

| Liabilities | A.I. Liabilities | Non-A.I. Liabilities | Total |
|--|---------------------------|-------------------------|--------------------|
| 13. Bank loans payable | \$ 1045 | \$ 1255 ¹³ | \$ 1470 |
| 14. Payable to brokers or dealers: | | | |
| A. Clearance account | 91,450 1114 | 1315 | 91,450 1560 |
| B. Other | 42,994 1115 ¹⁰ | 1305 | 42,994 1540 |
| 15. Payable to non-customers | 1155 | 1355 | 1610 |
| 16. Securities sold not yet purchased, at market value | | 1360 | 1620 |
| 17. Accounts payable, accrued liabilities, expenses and other | 1205 | 1385 | 1685 |
| 18. Notes and mortgages payable: | | | |
| A. Unsecured | 1210 | | 1690 |
| B. Secured | 1211 ¹² | 1390 ¹⁴ | 1700 |
| 19. E. Liabilities subordinated to claims of general creditors: | | | |
| A. Cash borrowings: | | 1400 | 1710 |
| 1. from outsiders ⁹ \$ | 970 | | |
| 2. includes equity subordination (15c3-1(d)) of ... \$ | 980 | | |
| B. Securities borrowings, at market value from outsiders \$ | 990 | 1410 | 1720 |
| C. Pursuant to secured demand note collateral agreements | | 1420 | 1730 |
| 1. from outsiders \$ | 1000 | | |
| 2. includes equity subordination (15c3-1(d)) of ... \$ | 1010 | | |
| D. Exchange memberships contributed for use of company, at market value | | 1430 | 1740 |
| E. Accounts and other borrowings not qualified for net capital purposes | 1220 | 1440 | 1750 |
| 20. TOTAL LIABILITIES | \$ 134,444 1230 | \$ 1450 | \$ 134,444 1760 |
| Ownership Equity | | | |
| 21. Sole Proprietorship | | | 1770 ¹⁵ |
| 22. Partnership (limited partners) | 1020 ¹¹ | | 1780 |
| 23. Corporation: | | | |
| A. Preferred stock | | | 1791 |
| B. Common stock | | | 1792 |
| C. Additional paid-in capital | | | 72,852 1793 |
| D. Retained earnings | | | (5,652) 1794 |
| E. Total | | | 67,200 1795 |
| F. Less capital stock in treasury | | | 1796 ¹⁶ |
| 24. TOTAL OWNERSHIP EQUITY | | | \$ 67,200 1800 |
| 25. TOTAL LIABILITIES AND OWNERSHIP EQUITY | | | \$ 201,644 1810 |

OMIT PENNIES

See Accompanying Notes to the Financial Statements

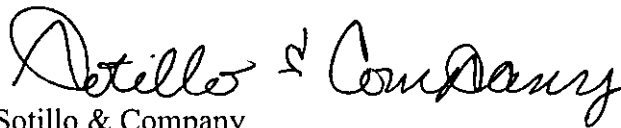
SOTILLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

6605 SOUTH DIXIE HIGHWAY, SUITE 200
WEST PALM BEACH, FLORIDA 33405
PHONE (561) 547-5730
FAX (561) 547-4720

Independent Auditor's Report on Supplementary Information
Required by Rule 17a-5 of the Securities and Exchange
Commission

Board of Directors
Wasserman & Associates, Inc.
618 Chestnut Rd., Suite 104
Myrtle Beach, SC 29572-5504

We have audited the accompanying financial statements of Wasserman & Associates, Inc. as of and for the year ended December 31, 2007, and have issued our report thereon dated February 26, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Sotillo & Company
West Palm Beach, FL
February 26, 2008

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER Wasserman & Associates, Inc.

as of 12/31/07

COMPUTATION OF NET CAPITAL

| | | | |
|--|----|-----------|----------|
| 1. Total ownership equity from Statement of Financial Condition | \$ | 67,200 | 3480 |
| 2. Deduct ownership equity not allowable for Net Capital | 19 | () | 3490 |
| 3. Total ownership equity qualified for Net Capital | | 67,200 | 3500 |
| 4. Add: | | | |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital | | | 3520 |
| B. Other (deductions) or allowable credits (List) | | | 3525 |
| 5. Total capital and allowable subordinated liabilities | \$ | 67,200 | 3530 |
| 6. Deductions and/or charges: | | | |
| A. Total non-allowable assets from | | | |
| Statement of Financial Condition (Notes B and C) | 17 | \$ 3,280 | 3540 |
| B. Secured demand note delinquency | | | 3590 |
| C. Commodity futures contracts and spot commodities – | | | |
| proprietary capital charges | | | 3600 |
| D. Other deductions and/or charges | | | 3610 |
| 7. Other additions and/or allowable credits (List) | | (3,280) | 3620 |
| 8. Net capital before haircuts on securities positions | 20 | \$ 63,920 | 3630 |
| 9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)): | | | |
| A. Contractual securities commitments | | | 3660 |
| B. Subordinated securities borrowings | | | 3670 |
| C. Trading and investment securities: | | | |
| 1. Exempted securities | 18 | | 3735 |
| 2. Debt securities | | | 3733 |
| 3. Options | | | 3730 |
| 4. Other securities | | | 3734 |
| D. Undue Concentration | | | 3650 |
| E. Other (List) | | | 3736 |
| 10. Net Capital | | | (3740) |
| | \$ | 63,920 | 3750 |

OMIT PENNIES

See Accompanying Notes to the Financial Statements

Schedule 1

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **Wasserman & Associates, Inc.**

as of **12/31/07**

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

| | | | |
|---|----|--------|------|
| 11. Minimum net capital required (6 2/3% of line 19) | \$ | 8,962 | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ | 5,000 | 3758 |
| 13. Net capital requirement (greater of line 11 or 12) | \$ | 8,962 | 3760 |
| 14. Excess net capital (line 10 less 13) | \$ | 54,958 | 3770 |
| 15. Excess net capital at 1000% (line 10 less 10% of line 19) | \$ | 50,475 | 3780 |

COMPUTATION OF AGGREGATE INDEBTEDNESS

| | | | |
|--|----|---------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition | \$ | 134,444 | 3790 |
| 17. Add: | | | |
| A. Drafts for immediate credit | \$ | 3800 | |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | \$ | 3810 | |
| C. Other unrecorded amounts (List) | \$ | 3820 | 3830 |
| 18. Total aggregate indebtedness | \$ | 134,444 | 3840 |
| 19. Percentage of aggregate indebtedness to net capital (line 18 + by line 10) | % | 210 | 3850 |
| 20. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) | % | | 3860 |

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

| | | | |
|--|----|--|------|
| 21. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ | | 3970 |
| 22. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ | | 3880 |
| 23. Net capital requirement (greater of line 21 or 22) | \$ | | 3760 |
| 24. Excess capital (line 10 less 23) | \$ | | 3910 |
| 25. Net capital in excess of the greater of: | | | |
| A. 5% of combined aggregate debit items or \$120,000 | \$ | | 3920 |

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
 2. 6 2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

See Accompanying Notes to the Financial Statements

Schedule 1

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **Wasserman & Associates, Inc.**

For the period (MMDDYY) from 1/01/07 3932 to 12/31/07 3933
 Number of months included in this statement 12 3931

STATEMENT OF INCOME (LOSS)

REVENUE

| | | |
|---|--------------|------|
| 1. Commissions: | | |
| a. Commissions on transactions in exchange listed equity securities executed on an exchange | \$ 545,826 | 3935 |
| b. Commissions on listed option transactions | 34,722 | 3938 |
| c. All other securities commissions | 1,521,600 | 3939 |
| d. Total securities commissions | 2,102,148 | 3940 |
| 2. Gains or losses on firm securities trading accounts | | |
| a. From market making in options on a national securities exchange | | 3945 |
| b. From all other trading | | 3949 |
| c. Total gain (loss) | | 3950 |
| 3. Gains or losses on firm securities investment accounts | | 3952 |
| 4. Profit (loss) from underwriting and selling groups | | 3955 |
| 5. Revenue from sale of investment company shares | 101,029 | 3970 |
| 6. Commodities revenue | | 3990 |
| 7. Fees for account supervision, investment advisory and administrative services | | 3975 |
| 8. Other revenue | 159,774 | 3995 |
| 9. Total revenue | \$ 2,362,951 | 4030 |

EXPENSES

| | | |
|--|--------------|------|
| 10. Salaries and other employment costs for general partners and voting stockholder officers | 76,000 | 4120 |
| 11. Other employee compensation and benefits | 1,911,478 | 4115 |
| 12. Commissions paid to other broker-dealers | | 4140 |
| 13. Interest expense | | 4075 |
| a. Includes interest on accounts subject to subordination agreements | 4070 | |
| 14. Regulatory fees and expenses | 136 | 4195 |
| 15. Other expenses | 358,684 | 4100 |
| 16. Total expenses | \$ 2,346,298 | 4200 |

NET INCOME

| | | |
|---|-----------|------|
| 17. Income (loss) before Federal income taxes and items below (Item 9 less Item 16) | \$ 16,653 | 4210 |
| 18. Provision for Federal income taxes (for parent only) | | 4220 |
| 19. Equity in earnings (losses) of unconsolidated subsidiaries not included above | | 4222 |
| a. After Federal income taxes of | 4338 | |
| 20. Extraordinary gains (losses) | | 4224 |
| a. After Federal income taxes of | 4239 | |
| 21. Cumulative effect of changes in accounting principles | | 4225 |
| 22. Net income (loss) after Federal income taxes and extraordinary items | \$ 16,653 | 4230 |

MONTHLY INCOME

| | | |
|---|--------|------|
| 23. Income (current month only) before provision for Federal income taxes and extraordinary items | \$ 226 | 4211 |
|---|--------|------|

See Accompanying Notes to the Financial Statements

Wasserman & Associates, Inc.
Statement of Cash Flow
For the Year Ended December 31, 2007

| | |
|--|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Net Income (Loss) | 16,653 |
| Non cash Items Included in Net Income: | |
| Increase in Accounts Receivable | (10,173) |
| Decrease in Accounts Payable | (39,898) |
| Decrease in Accrued Expenses | (7,759) |
| Increase in Other Assets | <u>(1,024)</u> |
| NET CASH USED BY OPERATING ACTIVITIES: | \$ <u>(42,201)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Capital Contribution | 25,000 |
| Stockholder Distribution | <u>(25,000)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | \$ -0- |
| NET INCREASE (DECREASE) IN CASH | (42,201) |
| CASH AT BEGINNING OF YEAR | 127,313 |
| CASH AT END OF YEAR | \$ <u>85,112</u> |

See Accompanying Notes to the Financial Statements

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **Wasserman & Associates, Inc.**

For the period (MMDDYY) from 1/01/07 to 12/31/07

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

| | | | |
|---|----|--------|-------------|
| 1. Balance, beginning of period | \$ | 50,547 | 4240 |
| A. Net income (loss) | | 16,653 | 4250 |
| B. Additions (Includes non-conforming capital of | \$ | 25,000 | 4260 |
| C. Deductions (Includes non-conforming capital of | \$ | 25,000 | 4270 |
| 2. Balance, end of period (From item 1800) | \$ | 67,200 | 4290 |

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

| | | | |
|--|----|--|-------------|
| 3. Balance, beginning of period | \$ | | 4300 |
| A. Increases | | | 4310 |
| B. Decreases | | | 4320 |
| 4. Balance, end of period (From item 3520) | \$ | | 4330 |

OMIT PENNIES

See Accompanying Notes to the Financial Statements

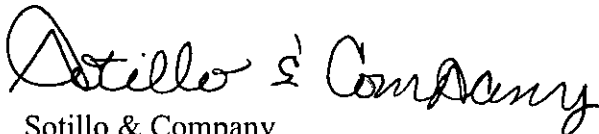
SOTILLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

6605 SOUTH DIXIE HIGHWAY, SUITE 200
WEST PALM BEACH, FLORIDA 33405
PHONE (561) 547-5730
FAX (561) 547-4720

Independent Auditor's Report
On Exemptive Provision Under Rule 15c 3-3

Board of Directors
Wasserman & Associates, Inc.
618 Chestnut Rd., Suite 104
Myrtle Beach, SC 29572-5504

We have audited the accompanying financial statements of Wasserman & Associates, Inc. as of and for the year ended December 31, 2007 and have issued our report thereon dated February 26, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As of the date of the financial statements all customer transactions cleared through another broker-dealer on a fully disclosed basis and no facts came to our attention to indicate that this was not complied with since the last audit of the financial statements.



Sotillo & Company
West Palm Beach, FL
February 26, 2008

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **Wasserman & Associates, Inc.**

as of **12/31/07**

EXEMPTIVE PROVISION UNDER RULE 15c3-3

24. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k)(1) — \$2,500 capital category as per Rule 15c3-1 4550
- B. (k)(2)(A) — "Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k)(2)(B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis.
 Name of clearing firm₃₀ **RBC Dain Rauscher, Inc.** 4335 **8-45411** 4570
- D. (k)(3) — Exempted by order of the Commission (include copy of letter) 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

| Type of Proposed Withdrawal or Accrual (See below for code) | Name of Lender or Contributor | Insider or Outsider? (In or Out) | Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities) | (MMDDYY) Withdrawal or Maturity Date | Expect to Renew (Yes or No) |
|--|-------------------------------|--|---|---|--------------------------------------|
| 31 4600 | 4601 | 4602 | 4603 | 4604 | 4605 |
| 32 4610 | 4611 | 4612 | 4613 | 4614 | 4615 |
| 33 4620 | 4621 | 4622 | 4623 | 4624 | 4625 |
| 34 4630 | 4631 | 4632 | 4633 | 4634 | 4635 |
| 35 4640 | 4641 | 4642 | 4643 | 4644 | 4645 |
| | | | Total \$ ₃₆ | 4699 | |

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:

- 1.
- 2.
- 3.

DESCRIPTIONS

Equity Capital
 Subordinated Liabilities
 Accruals

Wasserman & Associates, Inc.
Notes to Financial Statements
December 31, 2007

Wasserman & Associates, Inc. is a Stock and Bond Brokerage Firm located in Myrtle Beach, S.C. All customer accounts are carried with RBC Dain Rauscher Incorporated.

Note 1 – Accounting Policies

- (a) Revenue Recognition – Wasserman & Associates, Inc. generates commission income from sales of stocks, bonds, mutual funds and insurance. Commissions from security transactions of the Company are recorded on a trade date basis. Commissions from other transactions are recorded on a settlement date basis.

Note 2 – Accounts Receivable

Commissions due from brokers in the normal course of business.

Note 3 – Net Capital Requirements

The company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1.) At December 31, 2007, the Company had net capital of \$ 63,920 which was \$ 54,958 in excess of its required net capital of \$ 8,962.

SOTILLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

6605 SOUTH DIXIE HIGHWAY, SUITE 200
WEST PALM BEACH, FLORIDA 33405
PHONE (561) 547-5730
FAX (561) 547-4720

Independent Auditor's Report on Internal Control
Required by SEC Rule 17a-5

Board of Directors
Wasserman & Associates, Inc.
618 Chestnut Rd., Suite 104
Myrtle Beach, SC 29572-5504

In planning and performing our audit of the financial statements of Wasserman & Associates, Inc. for the year ended December 31, 2007, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5 (g) (1) of the Securities and Exchange Commission, we have made a study of the practices and procedures followed by Wasserman & Associates, Inc. including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5 (g) in the following:

(1) making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3 (a) (11) and the reserves required by rule 15c3-3 (e); (2) making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13; (3) complying with the requirements for prompt payment for securities under section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (4) obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control to assess whether those practices and procedures can be expected to achieve the Commission's above - mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded

against loss from unauthorized use or disposition and the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

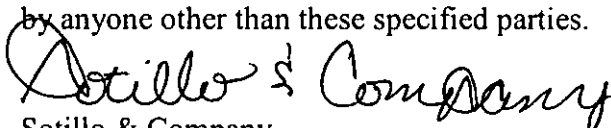
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy of such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the Commission's objectives.

This report is intended solely for the use of the Board of Directors, management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies, which rely on Rule 17a-5 (g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be used by anyone other than these specified parties.



Sotillo & Company
West Palm Beach, FL
February 26, 2008

SOTILLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

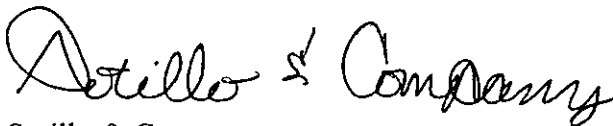
6605 SOUTH DIXIE HIGHWAY, SUITE 200
WEST PALM BEACH, FLORIDA 33405
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FAX (561) 547-4720

Independent Auditor's Report
On No Material Differences between Audited
and Unaudited Statements

Board of Directors
Wasserman & Associates, Inc.
618 Chestnut Rd., Suite 104
Myrtle Beach, SC 29572-5504

We have audited the financial statements of Wasserman & Associates, Inc. as of and for the year ended December 31, 2007 and have issued our report thereon dated February 26, 2008. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The audited financial statements of Wasserman & Associates, Inc. as of December 31, 2007 were not materially different from the unaudited reports for the same period.



Sotillo & Company
West Palm Beach, FL
February 26, 2008

END